

MSA #5-03-70-56 ORDERING INSTRUCTIONS

CONTRACT PROVISIONS

COST AND PRICING

A. INTRODUCTION

Cost includes, but is not limited to, consideration of one-time costs, continuing costs, rate escalations, and adjustments as they specifically relate to the products and services to be obtained. The Cost Tables are provided as the original bid prices and will be updated as the MSRP is updated in intervals as explained under Price Escalations and Declines below.

B. PRICING

All contract prices listed on the Cost Tables, with the exceptions of the hourly rates and installation costs, are a firm fixed percentage of a price that is listed in the Manufacturer's Suggested Retail Price (MSRP) list, herein referred to as the Price List. Each model machine shall have only one price entered on the Cost Tables regardless of the configuration or number of cards in the machine (e.g. 2501 and 2501CF or 8540MSRDC and 8540CSRDC are not considered unique models and shall be priced the same). There shall be no additional cost for different card configurations within a particular model. Discontinued models shall be priced at the replacement models' rates.

The Contractor shall offer maintenance services as described herein on any and all products on the stipulated manufacturer's price lists, regardless if it appears on the Cost Tables. Only one mark-up or discount may be applied to each Price List per type of service, i.e. the Principle Periods of Maintenance 24x7 and 8x5 may be discounted differently. Currently Cisco Equipment MSRP, Kentrox DataSMART list purchase price, and Foundry Networks US List price are the only price lists used in this agreement.

C. COST DEFINITIONS

1. Continuing Costs

Continuing costs are those costs that are projected to be paid by the State to the Contractor(s) on a monthly basis. Any discounts offered shall be reflected in the monthly rates quoted herein. In addition, for evaluation purposes, continuing costs include any cost adjustments that are applied on a monthly basis.

2. One-time Costs

One-time costs are those costs paid by the State for material and services necessary for the operational implementation of the products. For purposes of this contract, payment for installation and materials is due only after the system is accepted by the state and a correct invoice is received, whichever occurs later.

- a. Installation costs are all the one-time charges for personnel and supplies necessary to affect an operational system or piece of equipment. The installation costs are fixed by the provisions of this agreement.
- b. Hourly rates for off-hour services (services ordered at times not covered in the Principle Period of Maintenance)
- c. No direct expenses such as travels, meals or lodging shall be considered nor paid for under this agreement, except as noted in Section II.A.6, under Maintenance Charges.

D. PRICE ESCALATIONS AND DECLINES

Price escalations will take effect on the first payment after the escalation is approved by the Department of General Services. Price declines shall be effective immediately upon any public notification of the decline.

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1. Price Escalation

- a. Prices for maintenance shall be allowed to escalate with the Price List; however, only one price escalation shall be allowed within any six (6) month period.
- b. No sooner than 120 days after of the award of the contract, or 120 days after the effective date wherein any price escalation was granted, the Contractor may petition to have the latest Price List become the new basis of prices.

An Amendment will be issued to the MSA with the new rates effective no sooner than 30 days after the receipt of such a petition.

2. Labor Hourly Rates Escalation

- a. Prices for hourly labor shall be allowed to escalate; however, only one price escalation for hourly labor shall be allowed within any twelve (12) month.
- b. No sooner than 335 days after the award of the contract, or 335 days after the effective date wherein any hourly rate price escalation was granted, the Contractor may petition to have the hourly rates escalated to reflect increases in the rates in the general market place for the hourly classifications used in this Agreement. Proof of the increases shall be based on the Producer Price Index Federal SIC classification for the particular rate the Contractor wishes to increase. The Contractor must provide the SIC code rates at the time of the contract award, or last escalation granted, and the current rate information to calculate the percent of increase allowed. The amount of contract rate increase will be calculated as follows:
- c. The State will use the verified Contractor provided escalation percentage to determine the escalated contract rate(s) for the subsequent twelve-month period. This will be calculated by using the current contract rate(s) multiplied by the escalation percentage, then adding that result to the current rate(s) to determine the new contract rate(s).

(Example: Current rate is \$100.00 x 10% = \$10.00 New rate is \$100.00 + \$10.00 or \$110.00)

An amendment will then be issued to the MSA to reflect the new hourly rates no sooner than 30 days after the receipt of such a petition.

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MFG	MODEL #	Monthly Per Unit Cost for 24x7	Monthly Per Unit Cost for 8x5	Installation Charge
CISCO	1721	\$ 19.00	\$ 17.25	\$ 300.00
CISCO	2501	\$ 36.13	\$ 32.50	\$ 300.00
CISCO	2502	\$ 36.13	\$ 32.50	\$ 300.00
CISCO	2503	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2505	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2507	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2509	\$ 36.13	\$ 32.50	\$ 300.00
CISCO	2511	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2513	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2514	\$ 39.38	\$ 35.44	\$ 300.00
CISCO	2522	\$ 41.38	\$ 37.44	\$ 300.00
CISCO	2610	\$ 49.00	\$ 44.13	\$ 300.00
CISCO	2611	\$ 49.00	\$ 44.13	\$ 300.00
CISCO	2620	\$ 49.00	\$ 44.13	\$ 300.00
CISCO	2621	\$ 49.00	\$ 44.13	\$ 300.00
CISCO	2650	\$ 49.00	\$ 44.13	\$ 300.00
CISCO	WS-C3200	\$ 70.94	\$ 64.31	\$ 300.00
CISCO	3620	\$ 75.00	\$ 68.13	\$ 300.00
CISCO	3640	\$ 125.00	\$ 114.69	\$ 300.00
CISCO	3661	\$ 250.00	\$ 226.56	\$ 300.00
CISCO	3662	\$ 250.00	\$ 226.56	\$ 300.00
CISCO	4000	\$ 116.88	\$ 106.25	\$ 300.00
CISCO	4500	\$ 196.63	\$ 178.50	\$ 300.00
CISCO	4700	\$ 234.44	\$ 212.50	\$ 300.00
CISCO	7000	\$ 587.50	\$ 532.50	\$ 300.00
CISCO	7010	\$ 437.50	\$ 396.56	\$ 300.00
CISCO	7140	\$ 269.94	\$ 252.25	\$ 300.00
CISCO	7204	\$ 328.13	\$ 297.63	\$ 300.00
CISCO	7206	\$ 393.75	\$ 357.00	\$ 300.00
CISCO	7505	\$ 603.75	\$ 547.19	\$ 300.00
CISCO	7507	\$ 883.00	\$ 800.38	\$ 300.00
CISCO	7513	\$ 1,200.88	\$ 1,088.56	\$ 300.00
CISCO	8540	\$ 170.63	\$ 154.69	\$ 300.00
CISCO	7120	\$ 184.75	\$ 172.63	\$ 300.00
CISCO	7204	\$ 328.13	\$ 297.63	\$ 300.00
CISCO	AS5300	\$ 472.50	\$ 428.25	\$ 300.00
CISCO	C4000	\$ 180.81	\$ 163.88	\$ 300.00
CISCO	C4003	\$ 180.81	\$ 163.88	\$ 300.00
CISCO	IDS-4230-FE	\$ 190.00	\$ 172.19	\$ 300.00
CISCO	LDIR430	\$ 340.00	\$ 310.00	\$ 300.00
CISCO	PIX520	\$ 166.44	\$ 152.81	\$ 300.00
CISCO	WS-C3016B	\$ 62.94	\$ 57.06	\$ 300.00
KENTROX	72656	\$ 48.75	\$ 48.75	\$ 300.00
KENTROX	78620	\$ 48.75	\$ 48.75	\$ 300.00
KENTROX	72680	\$ 48.75	\$ 48.75	\$ 300.00
FOUNDRY	FI800	\$ 355.85	\$ 221.27	\$ 900.00
FOUNDRY	FI1500	\$ 554.17	\$ 332.10	\$ 900.00

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Hourly Rates for technicians Off-hour services:

Technician Classification	Hourly Rate
1. Field Engineer	\$175.00
2. Net Consultant 2	\$250.00
3. Net Consultant 3 (Snr Engineer)	\$300.00

Discount from price list:

CISCO Global Price List US Availability -25%
(SMARTnet Onsite 8x5 & 24x7)
dated: August 8, 2003

Foundry Networks US List -5%
(TechNet Silver 8x5 and Technet Gold 24x7)
dated: 1-May 03

Kentrox Customer Support -10%
(Maintenance and Installation Critical Care part #14203)
dated: 030527.doc